

1 MICHAEL VON LOEWENFELDT (178665)  
KEVIN B. CLUNE (248681)  
2 KENNETH NABITY (287927)  
**KERR & WAGSTAFFE LLP**  
3 101 Mission Street, 18th Floor  
San Francisco, CA 94105-1727  
4 Telephone: (415) 371-8500  
Fax: (415) 371-0500  
5 Email: mvl@kerrwagstaffe.com  
Email: clune@kerrwagstaffe.com  
6 Email: nabity@kerrwagstaffe.com

7 Attorneys for Plaintiff  
SANFORD WADLER

8  
9  
10 **UNITED STATES DISTRICT COURT**  
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 SANFORD S. WADLER,

13 Plaintiff,

14 v.

15  
16 BIO-RAD LABORATORIES, INC.,  
a Delaware Corporation; NORMAN  
17 SCHWARTZ; LOUIS DRAPEAU; ALICE N.  
18 SCHWARTZ; ALBERT J. HILLMAN;  
DEBORAH J. NEFF,

19 Defendants.  
20  
21  
22  
23

Case No. 3:15-cv-2356

**COMPLAINT FOR:**

1. RETALIATION IN VIOLATION OF 18 U.S.C. § 1514A (SARBANES-OXLEY)
2. RETALIATION IN VIOLATION OF 15 U.S.C. § 78u-6 (DODD-FRANK)
3. RETALIATION IN VIOLATION OF CALIFORNIA LABOR CODE § 1102.5
4. WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY
5. NONPAYMENT OF WAGES UNDER CAL. LABOR CODE §§ 201, 227.3
6. WAITING TIME PENALTIES UNDER CAL. LABOR CODE § 203

**JURY TRIAL DEMANDED**

1 Plaintiff Sanford S. Wadler (“Wadler” or “Plaintiff”) hereby alleges as follows:

2 **Introduction**

3 1. This matter presents the classic case of whistleblower retaliation. After learning  
4 of his employer Bio-Rad’s involvement in extensive bribery occurring in Russia, Thailand, and  
5 Vietnam, Wadler investigated evidence of similar violations of the Foreign Corrupt Practices Act  
6 (“FCPA”) in China, where corruption is notoriously endemic. Key Bio-Rad officers and  
7 directors wanted Wadler to turn a blind eye to this misconduct or sweep it under the rug, but he  
8 refused. Instead, and following his mandatory duties under federal securities laws as the  
9 Company’s chief legal officer, Wadler investigated this potential criminal activity and reported it  
10 up the ladder. When Wadler reasonably began to believe that the conspiracy to violate the FCPA  
11 went all the way to the top of the corporate hierarchy, he reported his concerns to the Company’s  
12 audit committee. Then, just shortly before Bio-Rad was scheduled to present to the SEC and  
13 DOJ regarding the Company’s investigation into potential FCPA violations, the Company fired  
14 Wadler precisely because he refused to be complicit in its wrongdoing. A company is not  
15 allowed to attempt to silence whistleblowers in this manner.

16 **PARTIES**

17 2. Wadler became the General Counsel and Secretary of Defendant Bio-Rad  
18 Laboratories, Inc. (“Defendant” or “Bio-Rad”) in 1989. He was appointed to the position of  
19 Vice President in 1996 and Executive Vice President in 2012. The Company also  
20 simultaneously employed him in many different roles, for example by having him serve as a  
21 director, officer, and/or shareholder on virtually all of Bio-Rad’s many subsidiaries.

22 3. Wadler is a member of the New York and Washington DC bars and is a registered  
23 patent attorney. He was also a registered in-house counsel with the State Bar of California.

24 4. Bio-Rad is a publicly traded corporation. Its corporate headquarters and principal  
25 place of business are located in Hercules, California, which is in Contra Costa County. Bio-Rad  
26 manufactures and supplies the life science research, healthcare, analytical chemistry, and other  
27 markets with a range of products and systems used to separate complex chemical and biological  
28 materials and to identify, analyze, and purify their components. It sells its products globally.



1 **GENERAL ALLEGATIONS**

2 **Bio-Rad's FCPA Violations in Vietnam, Thailand, and Russia**

3 14. In 2009, Bio-Rad's corporate officers became aware that certain of its employees  
4 and agents in Vietnam, Thailand, and Russia may have violated provisions of the FCPA.

5 15. Those schemes are outlined in vivid detail in a consent order filed publicly by the  
6 SEC, attached hereto as Exhibit A, under which Bio-Rad agreed to pay \$55.1 million for making  
7 unlawful payments either directly or indirectly to government officials in these countries in order  
8 to obtain or maintain governmental business, and for related books and records violations. In  
9 addition to detailing the underlying bribery schemes themselves, the order also discusses the  
10 lengths that the Company went through to conceal this conduct, for example in the case of  
11 Russia by "maintain[ing] no records" concerning certain entities that were "not legitimate  
12 businesses" who received "excessive commissions" yet "did not provide the contracted-for  
13 services" for which they were purportedly retained (and indeed were clearly incapable of  
14 performing). The Bio-Rad subsidiaries also "used at least ten different personal email addresses  
15 with aliases when communicating about" such entities and "used code words like 'bad debts'"  
16 when referring to their commissions. Similarly attempts to conceal bribery were made in  
17 Vietnam, where \$23.7 million in admitted bribes were improperly recorded as "commissions",  
18 "advertising fees," and "training fees." And in Thailand, a Bio-Rad subsidiary recorded over  
19 \$700,000 in known bribes as commissions.

20 **FCPA Investigation in China**

21 16. As a result of the widespread allegations of illegal bribery uncovered in Russia,  
22 Thailand, and Vietnam, Bio-Rad determined that it needed to investigate whether there were  
23 similar violations in China—a country where Bio-Rad had significantly greater amounts of sales  
24 than Thailand, Vietnam, or Russia and where corruption is notoriously widespread.

25 17. Bio-Rad hired an outside law firm, Steptoe and Johnson LLP, to investigate  
26 allegations of potential bribery in China. That law firm came to the conclusion that there was no  
27 evidence of improper payments.

28 18. Wadler was surprised by that conclusion, given the volume of business that Bio-

1 Rad conducted in China, the company's apparently routine practice of committing FCPA  
2 violations in Russia, Thailand, and Vietnam, and the fact that China was a country notorious for  
3 its endemic corruption.

4 **The Life Technologies Royalty Audit**

5 19. Bio-Rad had licensed products from a company known as Life Technologies  
6 ("Life") for many years. As part of the licensing agreement, Life conducted audits to confirm  
7 prices paid by end-users (on which royalties are calculated) to make sure Life was being properly  
8 compensated.

9 20. It came to Wadler's attention in mid-2011 that, in response to Life's audit  
10 requests, Bio-Rad was unable to supply virtually any documentation to Life regarding Bio-Rad's  
11 operations in China.

12 21. Wadler was shocked that, with sales in the hundreds of millions of dollars over a  
13 number of years, Bio-Rad could not come up with virtually any documents evidencing such  
14 sales. Wadler repeatedly tried to obtain documents from Bio-Rad's CEO, CFO, and other key  
15 executives, but despite indicating that they would assist in tracking down such documents, these  
16 executives repeatedly failed to do so.

17 22. Wadler was concerned that the failure to maintain documents that would  
18 accurately reflect Bio-Rad's transactions in China was itself a books and records violation of the  
19 FCPA. More importantly, he was worried that the lack of documentation suggested efforts to  
20 conceal violations of the FCPA's anti-bribery provisions. The sheer dearth of documents in  
21 relation to Bio-Rad's extensive China operations suggested that such bribery might be rampant.

22 23. As time went on, Wadler became concerned that Life might file a lawsuit against  
23 Bio-Rad related to its failure to produce documents during its audits. Wadler was worried that  
24 such a lawsuit would have a substantially detrimental effect on the company by, among other  
25 things, opening up Bio-Rad to scrutiny from the U.S. Department of Justice ("DOJ") and  
26 Securities and Exchange Commission ("SEC") for its China dealings (before it even attempted to  
27 self-disclose such potential violations) as well as the FCPA violations that were already being  
28 investigated with respect to Bio-Rad's operations in other countries.

1                    **Several Documents Are Found that Demonstrate FCPA Violations in China**

2            24.     In late 2012, Wadler was finally able to uncover a few documents—though far  
3 less than there should have been given Bio-Rad’s substantial operations in China. And, in even  
4 the relatively few documents he was able to uncover, there was unambiguous evidence of  
5 potential bribery. These documents specifically showed transactions with governmental entities  
6 (such as public universities) in which Bio-Rad distributors had contracted to provide a certain  
7 number of items, invoiced them for that number of items, but then actually provided several  
8 additional items for free. The cost of the free items was almost half of the items actually billed  
9 for. Wadler reasonably concluded that these free items reflected kickbacks being paid to  
10 governmental employees or entities for giving business to the relevant distributor.

11           25.     In addition to alerting Wadler about likely corruption regarding the specific  
12 transactions at issue, this discovery made Wadler concerned that Steptoe and Johnson’s prior  
13 investigation into potential FCPA violations in China had been deficient. Further, because there  
14 were still so few documents produced in response to the Life Audit, and even those few  
15 documents that could be identified suggested bribery, Wadler became concerned that bribery was  
16 widespread.

17           26.     In addition to being concerned about the possibility of additional underlying  
18 FCPA violations, Wadler was concerned that this discovery would negatively impact the  
19 Company’s ongoing investigations with the SEC and DOJ. Bio-Rad had been trying to work  
20 with them to minimize the penalties for the earlier FCPA violations and he knew that one of the  
21 major factors in determining the ultimate penalties imposed was the “tone at the top” of the  
22 Company. He knew that the government was only likely to grant Bio-Rad leniency if the  
23 Company was perceived as being diligent and cooperative, and that these additional revelations  
24 suggested that they were not embodying either of these traits.

25           27.     Still more evidence of FCPA violations came to Wadler’s attention in early 2013  
26 when he learned that certain standard language concerning the need for FCPA compliance had  
27 been removed (without his knowledge or approval) from documents translated into Chinese and  
28 used for Bio-Rad’s operations in China. Wadler became concerned that this represented an

1 intentional effort by Bio-Rad’s agents and employees to circumvent internal controls intended to  
2 prevent FCPA violations. He also obtained additional documents that suggested additional  
3 instances of bribery.

4 28. Due to the repeated stonewalling he had received from the CEO, CFO, and other  
5 members of management, Wadler became suspicious that corruption issues in China were known  
6 to senior management, and that management was intentionally blocking his efforts to uncover  
7 evidence of bribery and related misconduct.

8 29. As a result, and pursuant to his mandatory “up the ladder” reporting requirements  
9 under federal securities laws, Wadler notified the Audit Committee in February 2013 of his  
10 concerns. He specifically relayed his concerns that he had uncovered evidence of bribery,  
11 books-and-records violations, and that language had been altered in documents in Chinese in  
12 order to circumvent Bio-Rad’s internal controls to prevent such violations of the law.

13 30. To his amazement and disappointment, the Audit Committee reengaged Steptoe  
14 and Johnson to investigate these additional FCPA violations. This was the very same law firm  
15 that initially concluded in 2011 (incorrectly, as it had turned out) that there was no evidence of  
16 FCPA violations in China. Wadler was concerned that Steptoe had a clear conflict of interest in  
17 doing the investigation again when it failed to uncover the violations in 2011 because any  
18 finding in 2013 would have demonstrated Steptoe’s prior malpractice.

19 31. Wadler’s suspicions were further heightened on or about February 22, 2013 in a  
20 meeting between the Company and its outside auditors at which Wadler was present. There, the  
21 CFO informed the outside auditors that she wanted to send people to China to attempt to unearth  
22 the missing documents for the Life Audit, but the CEO, Norman Schwartz prevented her from  
23 doing that.

24 32. At a meeting in March 2013 between Bio-Rad, Steptoe and Johnson, and Bio-  
25 Rad’s outside auditor Ernst & Young, Steptoe indicated that there was no evidence of improper  
26 payments regarding Bio-Rad’s China Sales. Wadler was shocked by this conclusion, given the  
27 documentation that had already been uncovered before the investigation began that clearly  
28 indicated that bribery had occurred. Wadler stated that thirty percent of the documents

1 concerning Bio-Rad’s China operations that he had reviewed contained discrepancies relating to  
2 the shipment volume. Wadler stated that this fact suggested to him that there were significant  
3 additional FCPA violations that Steptoe and Johnson had apparently not uncovered. Wadler  
4 asked Steptoe and Johnson partner Patrick Norton—the partner who actually conducted the  
5 investigations into potential FCPA violations in both 2011 and 2013—whether such  
6 discrepancies troubled him, whether Norton knew the whereabouts of the extra products shipped,  
7 and what he knew about the actual motivation for shipping them. Norton responded that he had  
8 simply not addressed those issues in his investigation. Wadler was flabbergasted. After all, the  
9 entire reason Steptoe and Johnson had been retained was to investigate these very discrepancies,  
10 and the firm had apparently not done even that.

11 33. Despite Wadler’s comments regarding additional documents demonstrating FCPA  
12 violations, Neither Steptoe and Johnson nor Davis Polk asked Wadler for any other documents  
13 he might have that would shed light on the issues raised to the Audit Committee. Instead,  
14 Wadler was effectively shut out of the investigation over his repeated objections that he should  
15 be included.

16 **Bio-Rad Announces Deficiencies in its Internal Controls via its SEC Filings,**  
17 **Including Deficiencies Specifically Related to its Operations in China**

18 34. On March 8, 2013, Bio-Rad filed its 10K statement with the SEC, in which it  
19 disclosed that it had “identified significant deficiencies in [its] internal control over financial  
20 reporting, including “the unauthorized issuance of distributor contracts at [its] Chinese  
21 subsidiary,” “[its] lack of controls over pricing and [its] ineffective methods of analyzing credit  
22 risk” and “[i]n some instances, the lack of sufficient documentation for the timing of revenue  
23 recognition.” Thus, Bio-Rad admitted publicly that it was, in fact, engaging in some of the very  
24 misconduct Wadler had complained about.

25 **Wadler Is Suddenly Terminated**

26 35. On June 7, 2013, Bio-Rad terminated Wader. Although the CEO effectuated the  
27 termination, the decision was made by a vote of the entire Board. Mr. Schwartz subsequently  
28 confirmed that the decision was that of the entire Board in statements he made to Wadler.



1           36.     Wadler’s briefcase was then searched and he was escorted out of the office  
2 without being given any time to gather his personal items. He was not offered any recognition  
3 for his many years of dedicated service.

4           37.     Throughout his employment, Wadler reported to the CEO, first David Schwartz  
5 and then Norman Schwartz. Wadler was never told that his work was deficient or that he was  
6 not a valued member of management. Indeed, in December 2012, Norman Schwartz after  
7 writing a positive performance review promoted him to Executive Vice President and gave him a  
8 raise.

9           38.     When Mr. Schwartz and the rest of the Board made their decision to fire Wadler,  
10 all of the Board members—including Respondents Drapeau, Hillman, Neff, and Alice  
11 Schwartz—were aware that Wadler had reported bribery, books-and-records violations, and  
12 related misconduct to persons with supervisory authority over him and to other persons working  
13 for Bio-Rad who had the authority to investigate, discover, or terminate such misconduct. The  
14 full Board was also aware of the fact that Wadler had refused to turn a blind eye to such  
15 misconduct and refused to participate in any way in efforts to cover it up.

16           39.     On information and belief, Respondents made the decision to fire Wadler  
17 precisely because he provided information, caused information to be provided, and otherwise  
18 assisted in an investigation regarding conduct which he reasonably believed constituted a  
19 violation of federal laws regarding mail fraud, wire fraud, bank fraud, securities fraud, rules and  
20 regulation of the Securities and Exchange Commission, and provisions of federal law relating to  
21 fraud against shareholders. Among other things, he was terminated due to his efforts to get the  
22 CEO and CFO to address properly violations of the FCPA and for complying with Wadler’s  
23 mandatory “up the ladder” reporting requirements when it became clear that the company was  
24 not taking reasonable steps to investigate and remedy FCPA violations. In addition, Wadler was  
25 fired because, even after the initiation of the investigation, he continued to insist that the  
26 investigation be complete and uninfluenced by conflicts of interest.

27           40.     On further information and belief, the reasons the company provided for firing  
28 Wadler were pretextual. Wadler would never have been terminated if he had not protested to the

1 Audit Committee and others about the existence of serious violations of the FCPA.

2 **Bio-Rad Discloses Wadler’s Complaints to the SEC, Waiving any Potential Claim of**  
3 **Privilege**

4 41. Wadler was fired on June 7, 2013. At the time of his termination, Bio-Rad had  
5 been scheduled to give a report to the SEC and DOJ just a few weeks later during which it was  
6 supposed to update these governmental entities regarding the status of Bio-Rad’s internal FCPA  
7 investigations.

8 42. Bio-Rad had its outside counsel for the Company, Davis Polk, give the  
9 presentation to the government. On information and belief, Bio-Rad was concerned that  
10 Wadler’s termination might reflect poorly on the company by implying that his firing had  
11 something to do with potential FCPA concerns, or otherwise relate to information he might have  
12 provided to the government had he not been fired. As a result, the presentation given by Davis  
13 Polk to these governmental entities specifically disclosed (and attempted to rebut) Wadler’s  
14 internal complaints and other communications with the Company concerning his view that there  
15 was likely widespread bribery and books-and-records violations regarding Bio-Rad’s operations  
16 in China. The Company also discussed the various steps Steptoe and Johnson had undertaken to  
17 investigate potential FCPA violations discussed above, as well as the retention of Davis Polk. A  
18 true and correct copy of that presentation along with its transmittal email to the SEC and DOJ is  
19 attached hereto as Exhibit B. On information and belief, the presentation given to the SEC and  
20 DOJ was a self-serving attempt to avoid potential negative repercussions regarding the improper  
21 activities Bio-Rad engaged in discussed above.

22 43. Because Bio-Rad voluntarily disclosed Wadler’s internal communications to the  
23 government, the Company waived any potential claim of privilege it might have had with respect  
24 to these communications. Indeed, in subsequent proceedings where it further disclosed these  
25 communications to the Department of Labor, Bio-Rad admitted that this PowerPoint presentation  
26 was not privileged.

27 **Bio-Rad’s Outside Auditors Resign**

28 44. Bio-Rad’s auditors, Ernst & Young, ultimately resigned from doing Bio-Rad’s

1 audit work in September of 2013. On information and belief, material deficiencies and  
2 substantial disagreement between the auditors and Bio-Rad’s senior leadership contributed to the  
3 resignation of the auditors.

4 **Bio-Rad Agrees to Pay \$55.1 Million in Fines to the Government for FCPA**  
5 **Violations, and Admits to Precisely the type of Misconduct in China that Wadler**  
6 **Blew the Whistle about**

7 45. In its November 7, 2014 10Q filing with the SEC, Bio-Rad admitted that it had  
8 entered into a non-prosecution agreement with the DOJ and SEC, under which it would pay  
9 \$55.1 million for FCPA violations in Russia, Thailand, and Vietnam.

10 46. In that same filing, Bio-Rad admitted that it had been investigated, and in some  
11 cases fined, for engaging in exactly the type of practices that Wadler had blown the whistle  
12 about. The filing revealed that the Company had been investigated by “the local counterpart of  
13 China’s State Administration for Industry and Commerce,” and that this governmental entity had  
14 required Bio-Rad’s subsidiary in China to pay a penalty of \$300,000 “for providing free products  
15 pursuant to contractual obligations with customers during years 2012 and 2013, which was  
16 deemed to be in violation of the Anti-Unfair-Competition Law.” It also vaguely admitted that  
17 “China’s Bureau of Market Supervision and Administration, through its local counterpart in  
18 Pudong New District, Shanghai (“Bureau”) has begun a review of [Bio-Rad’s] importation  
19 practices with respect to certain of [Bio-Rad’s] products.”

20 47. These admissions demonstrate that Bio-Rad was engaging in practices such as  
21 giving “free goods” (or, in other words bribes) in connection with obtaining governmental  
22 contracts that is forbidden by the FCPA.

23 **FIRST CLAIM**  
24 **(RETALIATION IN VIOLATION OF 18 U.S.C. § 1514A (SARBANES-OXLEY)**  
25 **(Against all Defendants)**

26 48. Wadler incorporates by reference paragraphs 1 to 47 above, as though fully set  
27 forth herein.

28 49. Wadler was an employee of Bio-Rad.

50. Bio-Rad issues and maintains a class of publicly traded securities registered

1 pursuant to Section 12(b) of the Securities Exchange Act of 1934, which are traded on the New  
2 York Stock Exchange.

3 51. Wadler engaged in activity protected under 15 U.S.C. § 1514A because he  
4 provided information, caused information to be provided, or otherwise assisted in an  
5 investigation regarding conduct that he reasonably believed constituted violations of 18 U.S.C. §  
6 1341 (mail fraud), § 1343 (wire fraud), § 1344 (bank fraud), § 1348 (securities fraud), any rule or  
7 regulation of the SEC, or any provision of federal law relating to fraud against shareholders.

8 52. The information or assistance was provided to (or the investigation is conducted  
9 by) a Federal regulatory or law enforcement agency; any Member of Congress or any committee  
10 of Congress; or a person with supervisory authority over the employee (or such other person  
11 working for the employer who has the authority to investigate, discover, or terminate  
12 misconduct).

13 53. Wadler had both a subjective and objectively reasonable belief that the conduct  
14 being reported violated a listed law, rule, or regulation.

15 54. Bio-Rad, including its Board of Directors, its CEO, CFO, and others, knew or  
16 suspected that Wadler engaged in such protected activity.

17 55. Wadler was terminated.

18 56. Wadler's protected activity was a contributing factor—and indeed the reason  
19 for—his termination.

20 57. As a proximate result of Bio-Rad's actions against Wadler, as alleged above,  
21 Wadler has been harmed in that he has suffered the loss of wages, benefits, and additional  
22 amounts of money he would have received if he had not been subjected to said treatment.  
23 Wadler has also been harmed in that he has suffered humiliation, mental anguish, and emotional  
24 and physical distress. As a result of such conduct, Wadler has suffered damages in an amount  
25 according to proof.

26 58. Within 180 days of his termination, Wadler filed a complaint with the secretary of  
27 labor. The Secretary of Labor has not issued a final decision and more than 180 days have  
28 elapsed, and any delay was not due to Wadler's bad faith.

1 **SECOND CLAIM**  
2 **(RETALIATION IN VIOLATION OF 15 U.S.C. § 78u-6 (DODD-FRANK))**  
3 **(Against all Defendants)**

3 59. Wadler incorporates by reference paragraphs 1 to 58 above, as though fully set  
4 forth herein.

5 60. Wadler was an employee of Bio-Rad.

6 61. Wadler made disclosures that were required or protected under the Sarbanes-  
7 Oxley Act of 2002 (15 U.S.C. 7201 et seq.), the Securities and Exchange Act of 1934, including  
8 15 U.S.C. section 78j-1 (m), section 1513 (e) of title 18, and other laws, rules, or regulations  
9 subject to the jurisdiction of the SEC.

10 62. Wadler had both a subjectively and objectively reasonable belief that the conduct  
11 being reported violated a listed law, rule, or regulation.

12 63. Bio-Rad, including its Board of Directors, its CEO, CFO, and others, knew or  
13 suspected that Wadler engaged in such protected activity.

14 64. Wadler was terminated.

15 65. Wadler's protected activity discussed above was a contributing factor—and  
16 indeed the reason for—his termination.

17 66. As a proximate result of Bio-Rad's actions against Wadler, as alleged above,  
18 Wadler has been harmed in that he has suffered the loss of wages, benefits, and additional  
19 amounts of money he would have received if he had not been subjected to said treatment.  
20 Wadler has also been harmed in that he has suffered humiliation, mental anguish, and emotional  
21 and physical distress. As a result of such conduct, Wadler has suffered damages in an amount  
22 according to proof.

23 **THIRD CLAIM**  
24 **(WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY)**  
25 **(Against Defendant Bio-Rad)**

25 67. Wadler incorporates by reference paragraphs 1 to 66 above, as though fully set  
26 forth herein.

27 68. Wadler was an employee of Bio-Rad.

28 69. Bio-Rad terminated Wadler.

1           70.    A substantial motivating reason for Wadler’s termination was his reporting to  
2 Bio-Rad, its CEO, its CFO, the Board, and its Audit Committee certain bribery and books-and-  
3 records violations of the FCPA, Sarbanes-Oxley, and related misconduct, as well as refusing to  
4 participate in Bio-Rad’s attempts to turn a blind eye to, and indeed affirmatively cover up, such  
5 misconduct.

6           71.    As a proximate result of Bio-Rad’s actions against Wadler, as alleged above,  
7 Wadler has been harmed in that he has suffered the loss of wages, benefits, and additional  
8 amounts of money he would have received if he had not been subjected to said treatment.  
9 Wadler has also been harmed in that he has suffered humiliation, mental anguish, and emotional  
10 and physical distress. As a result of such conduct, Wadler has suffered damages in an amount  
11 according to proof.

12           72.    Wadler was terminated for engaging in mandatory “up the ladder” reporting  
13 requirements under SEC rules governing attorneys such as himself who represent issuer clients  
14 appearing and practicing before the SEC, including but not limited to 17 C.F.R. 205.3. In  
15 addition, Wadler was terminated for refusing to aid and abet or be an accessory after the fact to  
16 criminal violations of the FCPA and the Sarbanes-Oxley Act.

17   **FOURTH CLAIM**  
18   **(WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY)**  
19   **(Against Defendant Bio-Rad)**

20           73.    Wadler incorporates by reference paragraphs 1 to 72 above, as though fully set  
21 forth herein.

22           74.    Wadler was an employee of Bio-Rad.

23           75.    Wadler refused to participate in Bio-Rad’s attempts to turn a blind eye to, and  
24 indeed affirmatively cover up, FCPA, Sarbanes-Oxley, and other violations of federal securities  
25 laws, and Wadler took a position adverse to the employer regarding such illegal activity.

26           76.    The activities described in Paragraph 75 would result in a violation of federal  
27 securities laws, rules, and regulations.

28           77.    Wadler was terminated.

          78.    Wadler’s refusal to participate in the activity described in paragraph 75 was a

1 contributing factor in Bio-Rad's decision to terminate him.

2 79. As a proximate result of Bio-Rad's actions against Wadler, as alleged above,  
3 Wadler has been harmed in that he has suffered the loss of wages, benefits, and additional  
4 amounts of money he would have received if he had not been subjected to said treatment.  
5 Wadler has also been harmed in that he has suffered humiliation, mental anguish, and emotional  
6 and physical distress. As a result of such conduct, Wadler has suffered damages in an amount  
7 according to proof.

8 80. Wadler was terminated for engaging in mandatory "up the ladder" reporting  
9 requirements under SEC rules governing attorneys such as himself who represent issuer clients  
10 appearing and practicing before the SEC, including but not limited to 17 C.F.R. 205.3. In  
11 addition, Wadler was terminated for refusing to aid and abet or be an accessory after the fact to  
12 criminal violations of the FCPA and SOX.

13 **FIFTH CLAIM**  
14 **(NONPAYMENT OF WAGES UNDER CAL. LABOR CODE §§ 201, 227.3)**  
15 **(Against Defendant Bio-Rad)**

16 81. Wadler incorporates by reference paragraphs 1 to 80 above, as though fully set  
17 forth herein.

18 82. At the time of Wadler's termination, and pursuant to his employment agreement  
19 with Bio-Rad, Wadler had accrued wages in the form of paid vacation that he had not yet used.

20 83. Bio-Rad was obligated to pay Wadler for any unused vacation time at the time of  
21 termination pursuant to California Labor Code Sections 201 and 227.3 but failed to do so. Thus,  
22 Wadler is entitled to payment for this vacation time.

23 **SIXTH CLAIM**  
24 **(WAITING TIME PENALTIES UNDER CAL. LABOR CODE § 203)**  
25 **(Against Defendant Bio-Rad)**

26 84. Wadler incorporates by reference paragraphs 1 to 83 above, as though fully set  
27 forth herein.

28 85. Bio-Rad intentionally failed to pay wages to Wadler regarding his vacation time  
when those wages were due. As such, its failure to pay wages was intentional and subjects it to  
waiting time penalties pursuant to Labor Code Section 203.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief as follows:

- 1. Two times the amount of back pay otherwise owed to Wadler, with interest at the maximum legal rate;
- 2. For any other money judgment representing compensatory damages including lost wages, earnings, retirement benefits and other employee benefits, and all other sums of money, together with interest at the maximum legal rate on these amounts, according to proof;
- 3. For a money judgment for mental pain and anguish and emotional distress, according to proof, with interest at the maximum legal rate, according to proof;
- 4. For waiting time penalties pursuant to California Labor Code Section 203;
- 5. For an award of punitive damages, according to proof;
- 6. Compensation for litigation costs, expert witness fees, and attorneys' fees;
- 7. Reinstatement with the same seniority status that the individual would have had, but for the discrimination; and
- 8. For such other and further relief as the court deems proper.

Date: May 27, 2015

**KERR & WAGSTAFFE LLP**

By: \_\_\_\_\_ /s/ \_\_\_\_\_  
MICHAEL VON LOEWENFELDT

Attorneys for Plaintiff  
SANFORD S. WADLER



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DEMAND FOR JURY TRIAL**

Pursuant to Civil Local Rule 3-6, Plaintiff hereby demands a trial by jury in this matter.

Date: May 27, 2015

**KERR & WAGSTAFFE LLP**

By: \_\_\_\_\_/s/\_\_\_\_\_  
MICHAEL VON LOEWENFELDT

Attorneys for Plaintiff  
SANFORD S. WADLER